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May 26, 2005

VIA FACSIMILE (502) 564-7279 and REGULAR MAIL

Elizabeth O'Donnell Executive Director Kentucky Public Service Commission 211 Sower Boulevard Frankfort, Kentucky 40601

RE: Curtis E. White v. Louisville Gas and Electric Company

Case No. 2004-00497

Ada Mae Clem v. Kentucky Utilities Company Case No. 2004-00499

John Yuen v. Louisville Gas and Electric Company Case No. 2004-00450

Robert T. Gallagher v. Kentucky Utilities Company Case No. 2004-00451

Regina Ann Morris v. Louisville Gas and Electric Company
Case No. 2005-00010

Dear Ms. O'Donnell:

I am writing on behalf of Louisville Gas and Electric Company and Kentucky Utilities Company (collectively the "Companies") to provide comments on the Intra-Agency Memorandum ("Memo") regarding the informal conference held at the Commission's office on March 22, 2005.

As an initial matter, the Companies wish to clarify that their respective tariff provisions regarding theft of service or tampering with equipment apply to all property owners, and are not limited simply to landlord/tenant situations. In addition, the Companies have the following specific comments on the Memo:

• With regard to the third sentence of the third paragraph on page 1 of the Memo, it is the Companies' practice to lock a meter only where there is evidence of theft or tampering. Otherwise, when a request for disconnection of service is received,

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the Companies read the meter, turn it off, and place colored seals on the meter. In either situation, however, the meter is still read on a regular schedule.

- With regard to the last sentence of the second paragraph on page 2 of the Memo, the Companies do have some concern about the propriety of requiring a "read and leave on" agreement as a condition of service in all situations and about the administrative difficulties that might be encountered with procuring those agreements in uniform fashion.
- With regard to the fifth paragraph on page 2 of the Memo, the last sentence should read as follows: The new *residential* deposit requirement applies only after an existing *residential* customer is disconnected, not when an existing *residential* customer incurs late payment charges.
- With regard to the last paragraph on page 2 of the Memo, the paragraph should read as follows: In determining whether to return non-residential deposits to pre-July 1, 2004 non-residential customers, LG&E requires 36 continuous months of no delinquent payments or late notices, and no previous disconnection for nonpayment, in order to establish "satisfactory payment history." LG&E/KU also assured the parties that it was not using pre-July 1, 2004 data to determine if a non-residential customer needs an increased deposit.

Should you have any questions or need any additional information, please contact me at your convenience.

Yours very truly,

J. Gregory Cornett

JGC/ec

cc:

J.E.B. Pinney

Dennis G. Howard, II All Parties of Record

¹ KU's policy, to retain non-residential deposits as long as the customer remains on service, did not change effective July 1, 2004.